

What Is Virginia's Consumer's Use Tax?: This tax is the "other half" of the Virginia Sales and Use Tax Act passed by the 1966 Virginia General Assembly. When you purchase goods, other than magazines or newspaper subscriptions, from a business that does not add the Virginia sales and use tax to your bill or you purchase goods tax-free while outside Virginia, you may be liable for the tax and required to file Form CU-7 to report and pay the tax. This tax is 5% of what you paid for the item ("cost price") except for food purchased for home consumption. The rate on these food purchases is 4.0% for purchases made on or prior to 6/30/05 and 2.5% for purchases made on or after 7/1/05. "Cost price" does not include separately stated shipping or delivery charges but it does include a "shipping and handling" charge if listed as a combined item on the sales invoice.

What's New: The state sales and use tax rate on sales of food items for home consumption decreased from 3% to 1.5%, effective July 1, 2005. This change will result in a combined state and local tax rate of 2.5% (1.5% state tax and 1% local tax). For sales of nonfood, the current state tax rate of 5% remains in effect.

Who Should File This Form?: If the total amount of purchases was from out-of-state mail order catalog(s) **only**, and \$100 or less for the entire year, you do not have to pay the use tax. If the purchases were from out-of-state mail order catalog(s) and exceed \$100, or the purchases were of any amount from sources other than mail order catalogs, then you must report these purchases and pay consumer's use tax on the **TOTAL** amount of *all untaxed* purchases from **all** sources made *during the calendar year*. Nonprescription drugs and proprietary medicines purchased for the cure, mitigation, treatment, or prevention of disease in human beings are exempt from consumer use tax.

When And Where To File: If you meet the above criteria, you must file an annual consumer's use tax return, Form CU-7. ***This form is for use by individuals only.*** Businesses, including partnerships and sole proprietorships, must report such purchases on Form ST-7 or Form ST-9, whichever is appropriate.

Filing Alternative: You can report and pay this tax on Schedule ADJ with Form 760, or Schedule NPY with Form 760PY.

If filing based on the calendar year, file your return as soon as possible after January 1, but not later than May 1. If you are filing on a basis other than a calendar year, you must file your return by the 15th day of the 4th month after the close of your taxable year. Penalty and interest will apply if the return is filed late. Pay the balance due as computed on Form CU-7 by the due date. Payment must be attached to the form when filed.

Make your check or money order payable to the Virginia Department of Taxation.

Mail Form CU-7 To: Department of Taxation, P.O. Box 26626, Richmond, VA 23261-6626. (Do NOT file Form CU-7 in the same envelope with your individual income tax return and do NOT file it with your local Commissioner of the Revenue, Director of Finance or Director of Tax Administration.)

Where To Get Help: If you have any questions, call 804-367-8037 or write to Department of Taxation, P.O. Box 1115, Richmond, Virginia 23218-1115. Tenemos servicios disponible en Español.

Where To Get Forms: Obtain forms from the Department of Taxation, Forms Request Unit, **804-440-2541**. Also you can obtain most Virginia tax forms at **www.tax.virginia.gov**.

Use the work sheet on the back of this page to list purchases, compute the taxes, and keep a computational record.

On the Form CU-7, below:

Line 1a. From Work Sheet Line D, enter the total COST PRICE for non-food purchases on which you were not charged sales tax.

Line 1b. From Work Sheet Line P, enter the total COST PRICE for food purchased for home consumption on which you were not charged sales tax.

Line 2a. From Work Sheet Line E, enter the TAX amount for non-food purchases.

Line 2b. From Work Sheet Line Q, enter the TAX amount for food purchases.

Line 3. Total Tax: Add Lines 2a and 2b.

Line 4. Penalty: No penalty is due if this return is filed with payment by the due date. If a return is not filed or the tax is not paid by the due date, the penalty is 6% of the amount on line 3 for each month or fraction of a month that the return and/or payment are late. The minimum penalty is \$10. The maximum penalty is 30% of the amount on line 3.

Line 5. Interest: No interest is due if payment is made by the due date. If payment is made after the due date, interest is computed on the tax due on line 3 at the rate established in Section 6621 of the Internal Revenue Code, plus 2%. For assistance in obtaining the correct interest rate factor on which to calculate the interest, contact the **Virginia Department of Taxation at 804-367-8037**.

Line 6. Total Due: Add lines 3, 4 and 5 and enter the total. Attach your check or money order for this amount to Form CU-7 when filing. See "When And Where To File" for additional information.

Make check or money order payable to: **Va. Department of Taxation**

Payments returned by the bank will be subject to a returned payment fee in addition to any other penalties that may be incurred.

Detach at dotted line below. Do not send entire page.

office use only

FORM CU-7

For Assistance, call 804-367-8037.

DO NOT mail your consumer's use tax return in the same envelope as your income tax return.

Virginia Consumer's Use Tax Return For Individuals

Please do not staple.

Residence is in ☐ City or ☐ County of: _____

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Taxable Year: Beginning Date: _____ Ending Date _____

Your SSN	Your Last Name	First Name	MI
Spouse's SSN	Spouse's Last Name	First Name	MI

Address (Number and Street)

City	State	ZIP
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I declare that, to the best of my knowledge, this return (including any accompanying schedules and statements) is a true and complete return.

Signature	Date	Telephone Number
Va. Dept. of Taxation CU-7 F 2601600 (REV 9/05)		

- 1a. Non-Food Goods
Total Costs
- 1b. Food Goods
Total Costs
- 2a. Non-Food Goods
Tax
- 2b. Food Goods Tax
3. Total Tax
Add lines 2a & 2b
4. Penalty
(See Instructions)
5. Interest
(See Instructions)
6. Total Due
(Add lines 3, 4 & 5)

Work Sheet for Computing Virginia Consumer's Use Tax For Individuals (CU-7)

- **Keep this with your other important tax records.**
- Use a separate sheet, if needed.
- If your receipt shows a "handling" charge or "shipping and handling" charge **but does not separately state the amount for shipping**, include this charge in the cost price. If your receipt shows a separate shipping or delivery charge, do not include this charge in the cost price.
- This tax is 5% of what you paid for the item ("cost price") except for food purchased for home consumption. The rate on these food purchases is 4.0% for purchases made on or prior to 6/30/05 and 2.5% for purchases made on or after 7/1/05.

Tax Year: From _____, _____ to _____, _____

Non-Food Items	Date of Purchase	Cost Price	
A. _____	_____	_____	
B. _____	_____	_____	
C. _____	_____	_____	
D. Total Cost of Non-Food Items Purchased		_____	Enter on Line 1a, Form CU-7.
E. Tax on Non-Food Items Purchased (Line D times .05)		_____	Enter on Line 2a, Form CU-7.

Food Items Purchased On or Before 6/30/05	Date of Purchase	Cost Price
F. _____	_____	_____
G. _____	_____	_____
H. _____	_____	_____
I. Total Cost of Food Items Purchased On Or Before 6/30/05		_____
J. Tax on Food Items Purchased On Or Before 6/30/05 (Line I times .04)		_____

Food Items Purchased On or After 7/1/05	Date of Purchase	Cost Price	
K. _____	_____	_____	
L. _____	_____	_____	
M. _____	_____	_____	
N. Total Cost of Food Items Purchased On or After 7/1/05		_____	
O. Tax on Food Items Purchased On or After 7/1/05 (Line N times .025)		_____	
P. Grand Total of Cost of Food Items Purchased (Line I plus Line O)		_____	Enter on Line 1b, Form CU-7.
Q. Grand Total of Tax on Food Items Purchased (Line J plus Line P)		_____	Enter on Line 2b, Form CU-7.